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RUEHUL/AMEMBASSY SEOUL PRIORITY 1023
RUEHKO/AMEMBASSY TOKYO PRIORITY 2076
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C O N F I D E N T I A L SECTION 01 OF 02 ASTANA 001773

SIPDIS

STATE FOR SCA/CEN

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TAGS: [PGOV](#) [SOCI](#) [KCOR](#) [KZ](#)

SUBJECT: KAZAKHSTAN: GREEK TRAGEDY OR SIMPLY SAGA?

REF: A. ASTANA 1762

[1](#)B. ASTANA 1761

Classified By: Ambassador Richard E. Hoagland: 1.4 (B), (D)

[1](#)1. (C) SUMMARY: Power games and distrust among the elite seem to have increased somewhat in recent months (reftels). Although there is no one straight-line trend to point to, there does seem to be a sense that all's not as well as it could be. This sense of unease might be the result of Nazarbayev's anti-corruption campaign that appears, in part, to be changing the rules of the game. Or maybe it's simply that after having Nazarbayev at the top for 20 years, a new generation is slowly emerging and wants a different system. However, this is really only about the elite, because among the population as a whole, Nazarbayev still polls a better-than-80% approval rate. END SUMMARY.

[1](#)2. (C) In recent conversations with Kazakhstani analysts and politicians, we have continued to ask about the arrests of high-level officials on corruption charges and the broader, more general sense that some degree of ferment might be under way. On September 28, the Ambassador met in Almaty with the leader of the National Social Democratic Party, Zhermakhan Tuyakbay, who has been close to the ruling elite since independence and was himself once a credible presidential candidate. We have always found him to be a thoughtful and logical insider whose views and analyses are worth considering. In his view, the current situation is a slowly incubating disease that originated with the titanic battle between President Nazarbayev and his ex-son-in-law Rakhat Aliyev, now exiled in Europe.

[1](#)3. (C) According to Tuyakbay, when Aliyev was deputy chairman of the Committee for National Security (KNB) at the beginning of this decade, he asked Nazarbayev for permission to wire-tap all senior officials and financial oligarchs, telling Nazarbayev it was a way to protect him. However, Nazarbayev eventually learned that the "extremely ambitious" Aliyev had tapped him, too, and was building a collection of "kompromat" to use eventually to displace Nazarbayev and

install himself as president. Nazarbayev "soft-exiled" Aliyev to Vienna as ambassador to get him out of his hair, but Aliyev started leaking his "kompromat" against Nazarbayev, which led to their total rupture. According to Tuyakbay, this was the beginning of when power began to ebb slowly away from Nazarbayev. According to Kazakhstani cultural tradition, Nazarbayev lost face because he could not control his own family. This loss of face has begun to convince others that Nazarbayev is not eternal and omnipotent. Tuyakbay said, "It's like a chain reaction, and it's become a real Greek tragedy in slow motion."

14. (C) According to Tuyakbay and others, the current anti-corruption campaign is real, but at the same time is ironic because Nazarbayev is fitfully and selectively trying to clean up a system he created. From the beginning, he cemented his authority by more or less telling the elite, "Enrich yourselves -- but stay loyal." As he feels the vultures hovering around him, he's striking out to assert his power, but also, in some cases, settling old scores. For example former chairman of KazAtomProm Mukhtar Dzhakishev is receiving especially harsh treatment for two reasons. Most important, he is a childhood friend of Aliyev, which automatically means to Nazarbayev he's a potential enemy. But also, the technocrat Dzhakishev got caught in one of the elite's high-stake games. Former Chairman of BTA bank, Mukhtar Ablyazov, when he was still mostly in the good graces of Nazarbayev, according to Tuyakbay, received a large packet of shares in uranium mines controlled by KazAtomProm. Ablyazov transferred the shares to his personal accounts, and Nazarbayev allegedly approved the transfer. With Ablyazov

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now in exile in London and threatening to spill his own "kompromat" against Nazarbayev, Nazarbayev is using Dzhakishev as a fall-guy because he sold these assets for almost nothing. Tuyakbay commented, "It's really a rotten story. When this happens at the top, what can the regular people expect?"

15. (C) In Tuyakbay's view, Nazarbayev no longer trusts anyone. "He's alone. Except for the KNB, he can't trust anyone any more. He's slowly losing control of the monster he created. Everyone knows his time will come to an end. Everyone wants to be positioned for the future. And that's exactly why no one trusts anyone else. A corrupt, authoritarian system works for awhile, but when it starts to come apart, everyone is vulnerable."

16. (C) The fundamental problem, according to Tuyakbay, is that Nazarbayev has no succession plan. When asked if Nazarbayev's other son-in-law Timur Kulibayev is emerging politically, Tuyakbay said, "Yes, but it's ephemeral. He's not the designated successor. He, too, could disappear overnight. No one would protect him; there's no solid ground. No one cares about the country -- the only thing is to steal as much as possible while Nazarbayev is still alive."

17. (C) What would happen if Nazarbayev died suddenly? Tuyakbay said the resulting political chaos would be frightful (strashno). There wouldn't be a smooth hand-off, as happened when Niyazov died in Turkmenistan, according to Tuyakbay, because the financial stakes are much, much higher in Kazakhstan. "How many billionaires does Turkmenistan have?" he asked rhetorically.

18. (C) On September 28, the Ambassador initiated the same conversation with independent/opposition journalist Sergey Duvanov. When asked if the high-level officials arrested in recent months are guilty, Duvanov replied, "I'd like to think they're innocent, but in this country everyone is guilty. Nazarbayev created this system and enriched himself. From a political point of view, what's most interesting is that Nazarbayev is creating more enemies exactly when he cannot afford to do so. It's like he can't help himself."

¶9. (C) When asked about political opposition, Duvanov, like Tuyakbay, said that the opposition political parties aren't important -- the "real opposition" is within the system itself and is circling around Nazarbayev. Duvanov said, "No one talks about it openly. It's just daily gossip. It's a feeling. I have no direct evidence, but I sense discontent. Many of the young people who work in the presidential administration say among themselves, 'Just get it over with and let him (Nazarbayev) be gone!' They have a new mentality; they were educated in the West. They're Janus-like. They loyally serve the rotten regime, but they know there's another way. Everyone is preparing for the moment of change; and to survive that, they need to be close to the throne."

¶10. (C) COMMENT: While both Tuyakbay and Duvanov are probably being overly dramatic, there does seem to be a sense that all's not as well as it could be. Maybe this sense of unease is the result of Nazarbayev's anti-corruption campaign that appears, in part, to be changing the rules of the game. Or maybe it's simply that having lived with Nazarbayev at the top for 20 years, a new generation is slowly emerging and wants a new leader for a different kind of country. But this is really only about the elite, because among the population as a whole, Nazarbayev still polls a better-than-80% approval rate. END COMMENT.
HOAGLAND